Securities Investors Association (Singapore)
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Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

Issuer: AsiaPhos Limited

Stock code: 5WV

Meeting details:
Date: 27 April 2021
Time: 10.00 a.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

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Q1. As noted in the message to shareholders, the group's mining operations have been disrupted since 2017.

In August 2020, the group's lawyers submitted a Request for Arbitration to the PRC Government and the group has expressed its willingness to consider any compensation proposal from the Chinese Government.

(i) **Can the board clarify if the negotiation with the PRC government has commenced?**

(ii) **What is the expected timeframe should the arbitration proceed?**

(iii) **Has the board considered including the downstream production facilities in the negotiation/arbitration as these could be deemed an integral part of the mining operations?**

Q2. The company had explored a reverse takeover and entered into a non-binding term sheet with Mining and Minerals Industries Holdings Pte Ltd to acquire the entire share capital of MMJV Pte Ltd.

The proposed acquisition was for a Singapore-led gold and copper mining group of companies which holds controlling interests in three gold and copper mining concessions in the Republic of the Philippines. The 534-hectares Mankayan Copper & Gold Project is located in Northern Luzon, about 260 kilometers from Manila and close to the center of Mankayan mineral district where large copper deposits have been discovered.

On 6 April 2021, the company terminated the sales and purchase agreement dated 12 November 2020. Management will provide updates as and when there are material developments.

(i) **Can the company help shareholders understand how it has been sourcing for investments/acquisitions?**

(ii) **Apart from management's experience in the mining of phosphate in China, does the group have deep expertise in the mining of other minerals and in different geographies?**

(iii) **Can the board help shareholders understand if the group's search is limited to mining/minerals? What is the scope of the board's search?**

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Q3. As shown in the consolidated statement of cash flows, even though the group reported significant losses in FY2019 and FY2020, net cash used in operating activities amounted to $(1,342,000) and $(762,000) respectively, a total of $(2.1) million for two years.

Cash and cash equivalents as at the end of the year amounted to $330,000.

The auditors had also included a disclaimer of opinion on the going concern in their reports dated 3 April 2019 and 3 April 2020 on the financial statements for the previous financial years ended 31 December 2018 and 2019 respectively. Similarly, for the audit of the financial year ended 31 December 2020, the auditors have not been able to obtain sufficient appropriate audit evidence to satisfy themselves as to the appropriateness of the use of the going concern assumption in the preparation of the financial statements.

(i) **Would the board help shareholders understand the projected major use of cash in the next 12-24 months?**

(ii) **How is the company paying for the advisers, especially the lawyers who are handling the arbitration/negotiation with the government?**

(iii) **Can management help shareholders understand what audit evidence was requested by the auditors?**

^On 1 October 2020, the Accounting and Corporate Regulatory Authority ("ACRA"), the Monetary Authority of Singapore ("MAS") and Singapore Exchange Regulation ("SGX RegCo") published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so.

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website

^ Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation (https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation)

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